Section I: Description of the State Service System

This section provides background for understanding how Kentucky provides mental health services, and the major activities and issues that currently affect the planning environment. Section II, which follows this section, provides more detailed information about the context for planning services for adults with severe mental illness (SMI) and children with severe emotional disabilities (SED).

The discussion of this section is organized as follows:

- State Mental Health Authority
- Recent Challenges and Achievements
- System Change Activities
    1. State Government Reorganization
    2. "Olmstead" Planning
    3. "HB 843 Commission"
- Legislative Initiatives
    1. Jail Triage
    2. Involuntary Commitment to Community Hospitals
- State Service Delivery System
    1. Inpatient Facilities
    2. Nursing Homes
    3. Personal Care Facilities
    4. Forensic Psychiatric Services
    5. Regional Programs
- Community Mental Health Funding
- Coordination of Mental Health Care
- Mental Health Services Planning Council

State Mental Health Authority

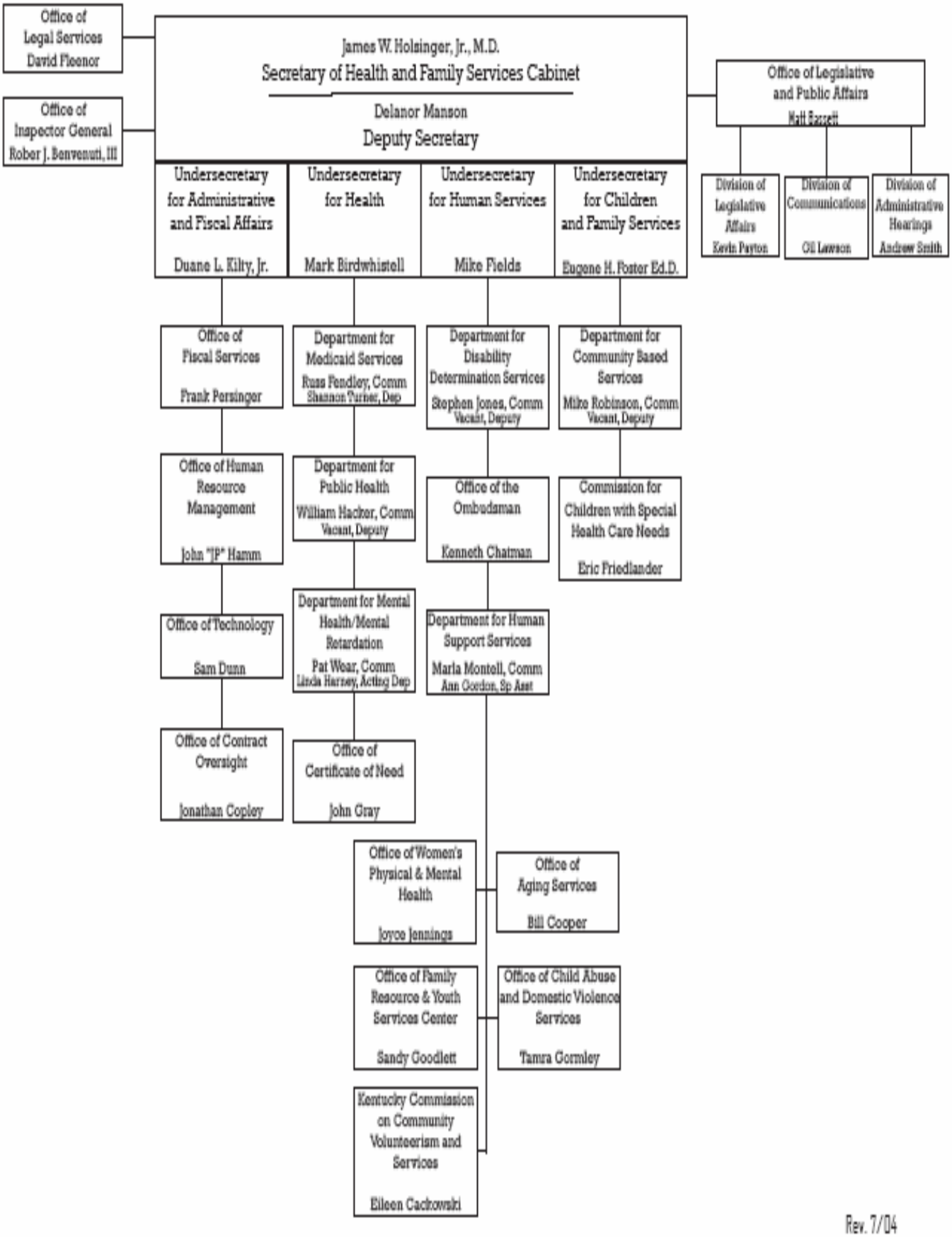
Kentucky's Mental Health Authority is the Department for Mental Health and Mental Retardation Services (KDMHMRS), which has responsibility for these service systems:

- Mental Health
- Mental Retardation
- Substance Abuse
- Brain Injury

KDMHMRS is part of the Cabinet for Health and Family Services, which is also the umbrella organization for these agencies (among other offices and councils):

- Department for Community-Based Services (Child and Adult Protection)
- Department for Public Health (Local and State Health Programs)
- Department for Medicaid Services (Medicaid Authority)
- Department for Human Support Services (Aging, Child Abuse and Domestic Violence Services)

The following two pages show the most recent organizational charts for the Cabinet for Health and Family Services and the Department for Mental Health and Mental Retardation Services.


Office of Legal Services
David Fleenor
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Rober J. Benvenuti, III
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Secretary of Health and Family Services Cabinet
Delanor Manson
Deputy Secretary
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Andrew Smith
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Department for Medicaid Services
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Stephen Jones, Comm
Vacant, Deputy
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Mike Robinson, Comm
Vacant, Deputy
Office of Human Resource Management
John "JP" Hamm
Department for Public Health
William Hacker, Comm
Vacant, Deputy
Office of the Ombudsman
Kenneth Chatman
Commission for Children with Special Health Care Needs
Eric Friedlander
Office of Technology
Sam Dunn
Department for Mental Health/Mental Retardation
Pat Wear, Comm
Linda Harney, Acting Dep
Department for Human Support Services
Marla Montell, Comm
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Jonathan Copley
Office of Certificate of Need
John Gray
Office of Women's Physical & Mental Health
Joyce Jennings
Office of Aging Services
Bill Cooper
Office of Family Resource & Youth Services Center
Sandy Goodlett
Office of Child Abuse and Domestic Violence Services
Tamra Gormley
Kentucky Commission on Community Volunteerism and Services
Eileen Cachowski

Rev. 7/04

Recent Challenges and Achievements

Consumer Involvement: Over the past two years, the Department has provided "Leadership Academy" training to 47 adults recovering from severe and persistent mental illnesses ("consumers") to prepare them for positions of responsibility in systems of care. In addition, leaders of Kentucky's consumer-directed organizations were formed into a Consumer Steering Committee to advance issues and initiatives that interest consumers of mental health services. Legislation authorizing Advance Mental Health Directives was passed in the 2004 session of the General Assembly. A consumer-directed organization, Kentucky Consumer Advocacy Network (KyCAN), is coordinating recovery-oriented peer reviews of regional Community Support Programs.

Crisis Stabilization: Thanks to new funds from the Kentucky General Assembly, the regional crisis stabilization networks for adults and children have been completed, culminating a decade-long effort. Thus, a Crisis Stabilization Program, either residential or mobile, is now available in every mental health region in Kentucky.

Interface with Criminal Justice*:* Again thanks to new funds from the Kentucky General Assembly, Regional MH/MR Boards (Regional Boards) provided training and consultation to jailers, and will soon implement a triage and referral center, with associated mental health services, for jailers to consult when inmates have mental health or other behavioral health issues. Efforts through NAMI-Kentucky to divert persons with mental illness from the criminal justice system using Police Crisis Intervention Teams continue to expand from Louisville to Frankfort and additional communities. The Department assists the Department of Corrections to transition persons with mental illnesses in prison, who serve out their sentences, to community services.

Evidence-Based Practices: Kentucky was awarded competitive SAMHSA grant funds for an evaluation of "KyMAP," Kentucky's web-based medication algorithm project. Mental Health directors of Regional Boards are planning the implementation of Integrated Treatment for Co-occurring Disorders. Evidence-Based Practices was the theme of the Department's last Mental Health Institute, which provides continuing education to over 1000 clinicians and other stakeholders, and will be the theme again this year.

Increasing Admissions to State Hospitals: The trend for closure of psychiatric units in community hospitals is beginning to affect admissions in state hospitals. While no definitive trend has emerged, there is a risk that access to appropriate lengths of care will become more difficult, re-hospitalization rates will increase, and outcomes of treatment will deteriorate. The Department has begun work with the Bristol Observatory to compare state hospital, private psychiatric unit, and community mental health utilization by adults with severe and persistent mental illnesses, and is monitoring trends through "Continuity of Care" meetings between state hospitals and their corresponding Regional Boards.

System Change Activities

State Government Reorganization

For the past six months, state government in Kentucky has been undergoing a major reorganization. The Cabinet for Health Services (the original umbrella Cabinet for KDMHMRS) has been merged with the Cabinet for Children and Families into the Cabinet for Health and Family Services. At the Department level, the Division of Administration and Financial Management and the Division of Mental Retardation remain the same, while the Divisions of Mental Health and Substance Abuse have been merged into one Division with four new branches effective July 16, 2004. The new Division of Mental Health and Substance Abuse (DMHSAS) is now comprised of four Branches including:

- Program Development
- Program Support
- Research & Data
- Provider Services

Olmstead Planning

Olmstead planning activities in Kentucky began with grant funding from the Robert Wood Johnson Foundation and the Center for Health Care Strategies that convened a broad stakeholder group in 2000. The Olmstead Planning Committee presented a final report to the Cabinet for Health Services in October 2001. In response, the Cabinet issued an Olmstead Compliance Plan and in 2002 established the "Olmstead State Consumer Advisory Council" to advise the Cabinet on implementation of the plan.

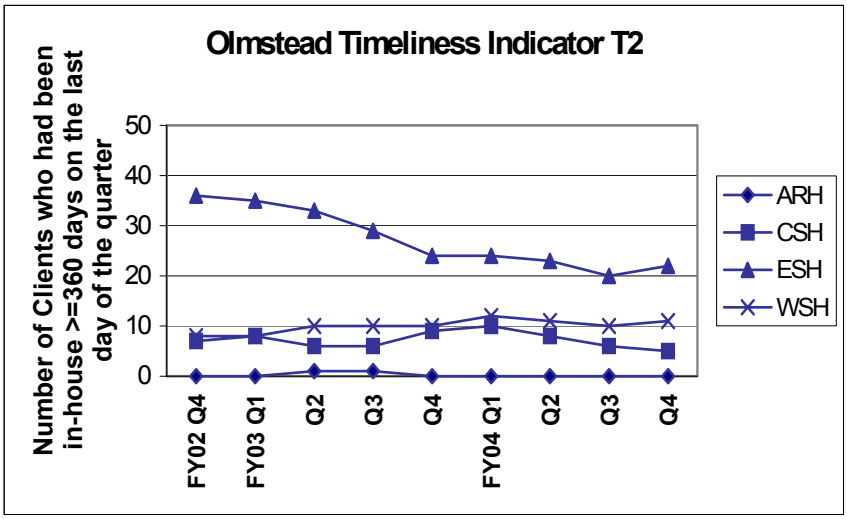
The Cabinet for Health Services also received a "Real Choices" grant from the Center for Medicare and Medicaid Services in 2001. The project is effecting significant systems change across three broad areas related to Kentucky's Olmstead Plan:

- Workforce development;
- Quality and consumer satisfaction; and
- Housing affordability and accessibility.

The Olmstead State Consumer Advisory Council provides input for the Real Choices project.

A CMHS grant supplemented by state funds supports the participation of mental health consumers and advocates in education and outreach activities by KyCAN related to the Olmstead decision. The project deploys peer advocates to assist individuals with severe and persistent mental illness who are transitioning from institutions to the community. Grant-funded peer advocacy proved to be a critical factor in the successful transition of several very challenging individuals and is now also funded by state "Olmstead Wraparound" funds.

In 2003, the Cabinet for Health and Family Services entered into a Voluntary Compliance Agreement with the federal Office of Civil Rights that outlines actions that KDMHMRS will take to insure that individuals residing in state psychiatric hospitals are assisted in developing transition plans to move to the community as quickly as possible. A performance monitoring system, new policies and procedures, and new community resources ("Olmstead Wraparound Funds") were created. As a result, a significant reduction in the number of individuals hospitalized over one year has been achieved (see chart below).



HB 843 Commission

The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol, and Other Drug Disorders (called the HB 843 Commission) has a regional planning process that analyzes needs and assigns priority for service development in Kentucky's mental health regions. Oversight of the process is vested in the HB 843 Commission, which is co-chaired by the Secretary of the Cabinet for Health and Family Services and a member of the General Assembly.

The HB 843 Commission includes state agencies with a stake in mental health and substance abuse services, as well as consumers and family members.

The Commission published its first plan, "Template for Change," in 2001 and has updated the plan annually. The primary accomplishment of the Commission has been building the consensus necessary in the Executive and Legislative branches for expansions of mental health and substance abuse budgets. A secondary accomplishment has been a more inclusive and progressive dialogue about desired changes to mental health law, for example, Advance Mental Health Directives.

The 2004 General Assembly ended a pending "sunset" provision so that the HB 843 Commission, and its regional planning network, will continue to influence system change. The regional planning councils established by the Commission, for example, are now considering plans submitted by Regional Boards for CMHS Block Grant funds.

Legislative Initiatives

A major initiative will be implemented in SFY 05 with the Passage of HB 157 that mandates the establishment of a statewide behavioral health telephonic triage system to be utilized by local jails. This system will be used to screen jail inmates at booking for mental health, suicide risk, mental retardation and acquired brain injury and to make recommendations about housing, classification and treatment needs. This is a unique program as no other state in the nation operates a system of screening and assessment through a partnership between community mental health and local jails.

An additional law passed in the recent legislative session is HB 67, an involuntary treatment law which will allow parents, relatives, and/or friends to petition for court-ordered treatment for someone who is substance abuse impaired.

State Service Delivery System

KDMHMRS is identified by Kentucky Revised Statute (KRS) 194.030 as the primary state agency for developing and administering programs for the prevention, detection and treatment of mental health, mental retardation and substance abuse disorders.

To fulfill its statutory mandate to develop and administer a comprehensive mental health services system, KDMHMRS provides:

- Inpatient psychiatric evaluation and treatment at four state hospitals (two operated directly, and two through contracts);
- Inpatient forensic evaluation and treatment at a prison facility licensed as a hospital;
- Nursing care at two facilities;
- Personal care at three facilities (through contracts); and
- Outpatient services primarily through a network of Regional Boards, also called "community mental health centers."

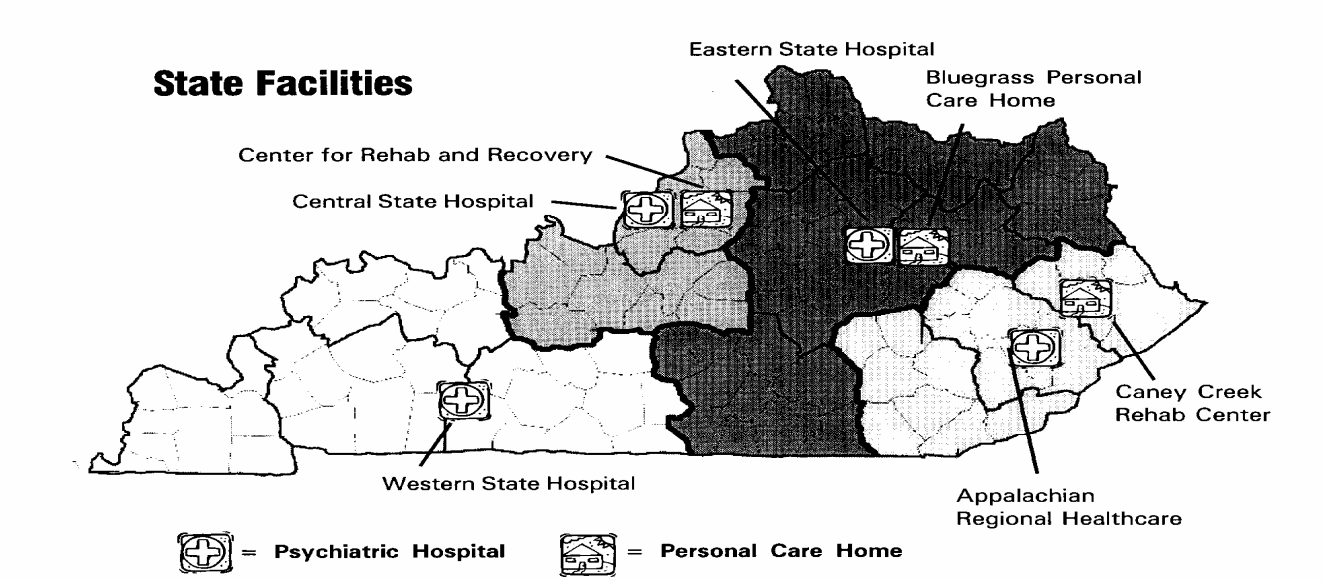
Inpatient Facilities

For over 160 years, Kentucky has operated psychiatric facilities that provide evaluation and treatment. Kentucky's state hospitals for adults are:

State Hospital	Location	Operation	Census*
Western State Hospital	Hopkinsville	State operated	124
Central State Hospital	Louisville	State operated	97
Eastern State Hospital	Lexington	Contracted	153
ARH Hazard Psychiatric Center	Hazard	Contracted	65

* 2004 Average Daily Census

Census at state hospitals has declined over the past decade as efforts were made to place persons in appropriate community programs. Trend data is available in Section III within the plan for adults with SMI.



To facilitate the coordination of community mental health programs and state hospitals, each hospital has a catchment district that includes the regions of nearby Regional Boards (see map above). Other ways that the Department facilitates coordination of care among its facilities and community programs are discussed in a later part of this section.

Kentucky does not operate a state hospital for children. Psychiatric hospitalization for children is widely available through approximately 650 psychiatric beds. These hospitals reported an occupancy rate of 64 percent in 2001.

Nursing Homes

The Department operates two facilities that provide a nursing level of care for persons with psychiatric disabilities who also need a nursing level of care for a co-morbid condition, or because they are medically fragile. The facilities primarily serve persons who are discharged from state hospitals, or who are at risk of hospitalization in a state facility. They are:

- WSH Nursing Facility, located on the campus of Western State Hospital in Hopkinsville and caring for approximately 134 persons; and
- Glasgow Nursing Facility, in Glasgow and caring for approximately 86 persons.

Personal Care Homes

To provide a less restrictive alternative for people in state hospitals who choose a transitional placement from a hospital level of care, specialized personal care homes for adults with SMI are available in three of the four hospital districts (admissions are not restricted to residents of regions or districts). The Regional Boards for the regions in which they are located operate the facilities.

The focus of the rehabilitative programming within these facilities is the teaching of skills and behaviors that will enable residents to be integrated into the community. They are:

- Center for Rehabilitation and Recovery, located on the campus of Central State Hospital outside Louisville, and housing 38 persons;

- ESH Personal Care Home, located on the campus of Eastern State Hospital in Lexington, and housing 35 persons; and
- Caney Creek Personal Care Home, located in Pippa Passes in southeastern Kentucky, and housing 73 persons.

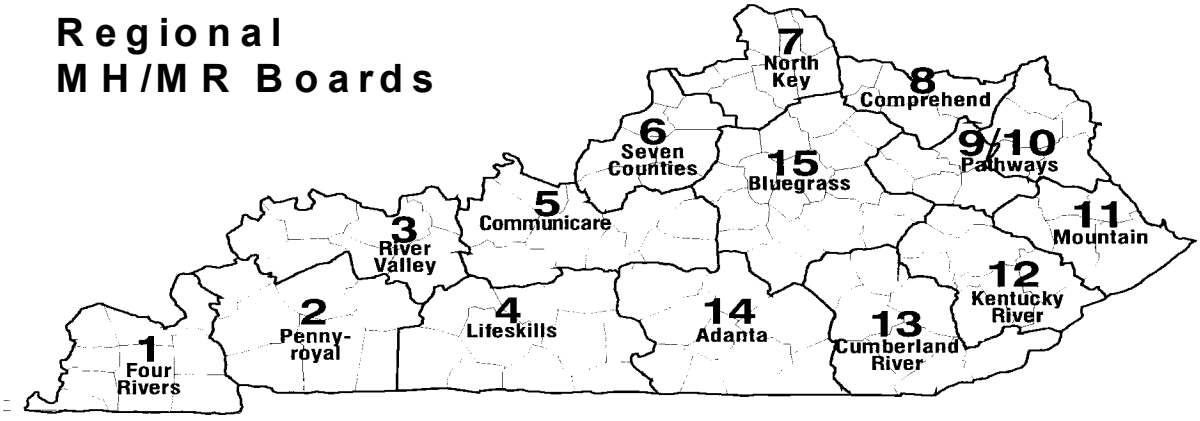
Forensic Psychiatric Services

Kentucky Correctional Psychiatric Center is a maximum-security inpatient psychiatric hospital operated by the Department. It primarily provides inpatient evaluation and treatment to restore competency, if ordered, to persons charged with a felony offense. When inpatient evaluation is unnecessary, the center facilitates outpatient competency evaluations through contracts for professional services with Regional Boards. The facility's average daily census in 2004 was 65 persons.

Regional Programs

Kentucky is divided into fourteen geographic regions for the purposes of planning and providing publicly funded community mental health services. Together, they serve all 120 Kentucky counties. For each region, a Regional Board has been established pursuant to KRS 210.370-210.480 as the planning authority for community mental health programs in the region. A Regional Board is:

- An independent non-profit organization;
- Overseen by a volunteer board of directors that broadly represents stakeholders and counties in the region; and
- Licensed by the Cabinet for Health and Family Services as a "community mental health center."



Statutes require that a Regional Board provide, at a minimum, the following mental health services:

- Inpatient (typically by referral agreement);
- Outpatient;
- Partial hospitalization/psychosocial rehabilitation;
- Emergency; and
- Consultation and education.

Regional Boards have collaborated with KDMHMRS to expand the array of community mental health services beyond those services mandated by law. KDMHMRS and the Regional Boards have historically used the CMHS Block Grant to drive the creation of an array of preventive, supportive, and rehabilitative services that are oriented to recovery so that adults with SMI and children with SED can live, work, and enjoy meaningful relationships with other members of their communities.

County and municipal governments do not provide community mental health services. However, some local health departments are using HRSA grants to provide mental health services to patients with co-morbid conditions, primarily case management.

Community Mental Health Funding

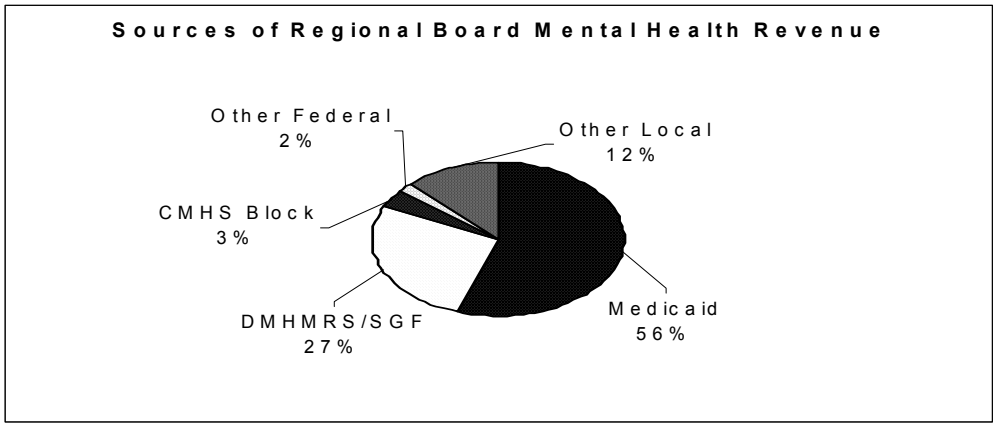
Mental health services by Regional Boards are financed through several funding streams including:

- *State General Funds* which are appropriated to KDMHMRS by the General Assembly for "Community Care and Support" and for restricted mental health purposes and allocated to the Regional Boards. Some Regional Boards also receive revenues from counties through special taxing districts;

- *Medicaid* dollars which are earned through billings to the state Medicaid program by staff qualified to serve Medicaid eligible consumers. Medicare is also a source of federal revenues through qualified billings; and

- *Mental Health Block Grant* (federal funds) which are received by KDMHMRS and allocated to the Regional MH/MR Boards.

A handful of counties have mental health taxes that are paid to the corresponding Regional MH/MR Board. The following table and chart shows the size and relative contribution of major funding sources to the total during SFY 2004.



Source of Revenue	*Revenue*	*Percent*
Medicaid	$99,695,953	55.3%
DMHMRS/SGF	$48,769,192	27.0%
CMHS Block (includes carryover)	$5,650,184	3.1%
Other Federal (includes Impact Plus)	$4,209,066	2.3%
Other Local	$22,006,233	12.2%
Total	$180,330,628	100.0%

State General Funds

The General Assembly appropriates two types of state funds that are used for community mental health services including:

- Community Care and Support which are funds allocated for all three KDMHMRS program areas (substance abuse, mental retardation, and mental health). These funds are allocated

by KDMHMRS to the Regional Boards using a formula primarily based on population size. They decide how to use these funds within programs to cover shortfalls from other revenue sources when they serve people who lack Medicaid, Medicare, or private insurance; and
- Restricted Mental Health funds that are appropriated specifically for mental health services. Some of these funds may be historically tied to a specific service. Others may be limited to a specific population such as adults with SMI or children with SED.

Most community mental health funds appropriated to KDMHMRS are contracted to the Regional Boards, except for state-level initiatives such as housing programs with the Kentucky Housing Corporation. Regional Boards may subcontract some services to other local agencies through affiliate agreements.

Nationally, Kentucky ranks 41st in per capita expenditures for mental health services. Concerns over Kentucky's standing among its peers in the nation helped prompt the creation of the HB 843 Commission, which was discussed in an earlier part of this section.

Falling tax revenues caused cuts in Kentucky's state government budget in the 2003/2004 state fiscal biennium, and likely will continue into the next. Cuts taken to balance budgets were first taken from administrative costs controlled by the Department to preserve funding levels for services through Regional Boards. However, the most recent round of cuts reduced some state funding to them by 2.5 percent. Restructuring of local service delivery systems in some regions has been necessary, often due to a combination of factors that adversely affect the delivery system, not just state budget cuts.

Medicaid

Kentucky's Medicaid State Plan includes the optional "Rehabilitation" element, which covers "Community Mental Health Services." Only Regional Boards licensed as Community Mental Health Centers may enroll as providers. The covered services include:
- Outpatient services by psychiatrists, physicians, and other mental health professionals (licensed or under supervision);
- Collateral services by professional staff to parents and other caregivers for children;
- In-Home services by professional staff; and
- Therapeutic Rehabilitation services.

Medicaid also covers Targeted Case Management Services by Regional Boards to adults with SMI and children with SED.

Medicaid also covers IMPACT Plus services, an individualized and flexible program of services for children at risk of institutionalization. Provider participation is not limited to Regional Boards and the network includes many new or non-traditional mental health organizations. IMPACT Plus is more fully described in Section III under the Plan for Children with SED.

KDMHMRS works closely with Kentucky Medicaid to coordinate state and Medicaid coverage requirements so that program planning is consistent and service provision to people who gain or lose Medicaid eligibility may be seamless.

Like most other states, Kentucky is facing a crisis in state revenues for its Medicaid match. So far, Medicaid's coverage of mental health services has been maintained using an array of strategies that have not caused wholesale interruptions in services.

Mental Health Block Grant

Mental Health Block Grant funds are drawn down by Kentucky through the submission and acceptance of this planning document CMHS. These funds are often used for programs that are not reimbursable through Medicaid, especially programs that advance systems of care. The funds are limited to programs for adults with SMI and children with SED.

Prior to a change in methodology that began in SFY 2001, block grant funds had been awarded to Regional Boards based on a competitive "request for proposal" process. Currently, new funds are awarded to bring regions to per capita equity. Regional Boards submit plans to strengthen their systems of care, the plans are reviewed by regional stakeholder councils, and, if approved, the Regional Boards may flexibly allocate the funds in accordance with the plan.

Requirements for regional plans are developed by the Mental Health Services Planning Council. Plans are submitted as part of the Regional Boards' annual Plan and Budget proposal. Information from regional plans for SFY 2005 has been incorporated in the planning documents for adults with severe mental illness and children with severe emotional disturbances.

Coordination of Mental Health Care

KDMHMRS coordinates inpatient and outpatient services in various ways.

1. Regulations, administrative direction, and contract provisions have numerous requirements related to continuity care. For example:
   - Persons who are brought before the court for evaluation for involuntary psychiatric commitment are required to receive the evaluation from a Qualified Mental Health Professional in the community;
   - Regional Boards are required to provide a case management assessment when a hospital discharges a person with a SMI who needs it;

2. Performance data on key indicators of continuity of care are also collected. Measures include:
   - Readmissions;
   - Outpatient visit within 7, 14 and 30 days of discharge; and
   - Case management visit following case management referral.

3. "Continuity of Care Committees" have been organized for each of the hospital districts to include representatives of the hospital and the Regional Boards who refer clients to the hospital. The committees review Continuity of Care performance indicators and discuss strategies for performance improvement.

4. Executive Directors of Regional MH/MR Boards participate on the Governing or Advisory Boards of three of the four state hospitals.

5. Department staff or leaders participate on a wide range of interagency boards and commissions that have mental health within their scope of work.

Mental Health Services Planning Council

The Kentucky Mental Health Services Planning Council meets four times a year. At its August meeting, it reviews and comments on the state's Plan. At its November meeting, it reviews and comments on the state's Implementation Report. However, most meetings are spent discussing mental health issues or learning more about Kentucky's implementation of national initiatives related to the Block Grant. For example, this year the Council has had several presentations including:

- The President's New Freedom Commission on Mental Health Report;
- Evidence-Based Practices; and
- Legislative Initiatives.

Last fall, the Kentucky Planning Council was among the first in our region to "cross-walk" the state's Block Grant Plan with the New Freedom Commission Report, identifying strengths and weaknesses of Kentucky's plan.

Officers of the Planning Council are consumers, family members, or parents of a child with a SED. In addition, the Council includes a representative of young adults in transition. The Council also has broad representation and involvement from other state agencies.

Public Comment

Public comment on Kentucky's application for federal mental health block grant funds is obtained in a number of ways:

- The Legislative Research Commission requires that a draft of the application be prepared 90 days prior to the federal due date (approximately June 1). The draft application is placed on the Department's web-site for public comment at this time;
- A time for public comment is set aside at the August Mental Health Planning Council meeting (August 19, 2004 this year); and
- The Interim Joint Committee on Health and Welfare holds a public hearing prior to the federal due date (August 24, 2004 this year).

Section II: Identification and Analysis of the Service System's Strengths, Needs and Priorities

This section of the narrative provides a planning context for the plans for adults and children in Section III. Narratives are provided that discuss:

- Strengths and Weaknesses of the Service System
- Unmet Service Needs and Critical Gaps
- Common Issues
- Priorities and Plans to Meet Unmet Needs
- Recent Significant Achievements
- Vision for Kentucky's Systems of Care
- Strategies

Much of the narrative is drawn from the report of the Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Substance Abuse Disorders and Dual Diagnoses (HB 843 Commission) that was discussed in the previous section.

Strengths and Weaknesses of the Service System

The work of advocates, policy leaders, and officeholders has given Kentucky a strong history in the development and delivery of mental health services. *Pattern for Change*, the 1966 report of the state's Mental Health Planning Commission, provided a long-range plan for meeting citizens' needs at a time when the nation was just beginning to recognize the importance of such efforts.

Historically, Kentucky spends less than most states on its system of care for persons with mental illness and substance abuse disorders, and ranks 41st in per capita expenditures for mental health services; at the same time, it has a reputation for innovation and quality.

Beyond the publicly funded system, behavioral health services are available in some Kentucky communities through private-sector licensed providers including psychiatrists, psychologists, clinical social workers, marriage and family therapists, and professional counselors, and in psychiatric hospitals and psychiatric units at community hospitals. These providers tend to be centered in urban areas, making access difficult in many rural areas.

Although the 2000 General Assembly passed legislation requiring parity, or equality, of mental health and substance abuse services with physical health services, its application was limited to large group employers who are not self-insured.

Most Kentucky communities attempt to coordinate their public and private mental health and substance abuse services. However, demand that exceeds needs and the complexity of funding makes coordination very difficult. As change continues to define modern society, Kentucky continues to update its thinking on the most effective way to deliver services to its diverse population.

Unmet Service Needs and Critical Gaps

The HB 843 Commission process required the state's 14 Regional Boards to convene "Regional Planning Councils" of stakeholders to assess needs, identify gaps, and recommend changes in policy and funding for mental health and substance abuse disorders, including services to people with co-occurring disorders.

The Councils' reports were submitted to the state Commission, which includes representatives of executive branch departments and six legislators, who compiled a state plan. The process builds on the regional planning authority vested in the Regional Boards by statute.

In June 2001, the Commission published "Template for Change," a document which outlines a regionally based needs assessment of the mental health and substance abuse needs of Kentuckians. The assessment included:

- A summary of each region's needs assessment and priorities;
- Identification of "common issues" in the regions' reports;
- Reports of work groups established at the state level to address criminal justice, quality assurance, consumer satisfaction, services for children, adults, and the aging; and
- A formative list of recommendations by the Commission, including recommendations to make the commission's membership more inclusive and to continue its work.

Common Issues

A number of themes were identified by many, if not all, of the Regional Planning councils during the course of their work. These were identified by the Commission as "Common Issues" and are these:

- Collaboration - ongoing, coordinated communication and action should occur at every level;
- Planning - planning should occur at the regional level to address regional needs and plan for a seamless system of care;
- Fiscal Policy - investment in community mental health and substance abuse services is needed to reduce later, more costly, expenditures and to improve Kentucky's national rank in per capita
  non-Medicaid spending for mental health and substance abuse services;
- Public Policy - accurate data, outcomes information, and a systems approach are needed to shape policy;
- Public Education - the stigma associated with mental illness and substance abuse should be reduced to encourage earlier identification and intervention;
- Professional Staffing - more professionals are needed in all parts of the state, and they should be cross-trained to address dual diagnosis problems; and
- Transportation - barriers that impede access to effective community services should be reduced.

On June 7, 2004, the HB 843 Commission received a briefing from the Department on Kentucky's status in regard to the report of the President's "New Freedom" Commission on Mental Health. The following challenges for Kentucky were identified, related to the report's goals and recommendations.

Goal	Challenges
1. Americans understand that mental health is essential to overall health	• Reduce suicide rates • Encourage partnerships between local public health and Regional Boards
2. Mental health care is consumer and family driven	• Reorient programs to recovery and resilience • Develop person-centered planning for adults with SMI and children with SED • Strengthen peer advocacy and support
3. Disparities in mental health services are eliminated	• Improve access for Hispanic and other immigrant groups • Recruit professionals to rural areas
4. Early mental health screening, assessment and referral to services are common practice	• Develop evidence based practices for early childhood and school-based services • Partner with primary care to improve screening for all, and access for elderly
5. Excellent mental health care is delivered and research is accelerated	• Partner with universities • Aggressively pursue grants for EBPs and systems change
6. Technology is used to access	• Develop MIS capabilities of Regional Boards

mental health care and information	• Expand recommendations network • Begin planning for electronic medical records

The Department also continually reviews the performance and outcomes of facility and community-based services it supports for children with severe emotional disabilities and adults with severe mental illnesses. It reviews performance and outcomes with stakeholder groups that focus on these two priority populations for the Mental Health Block Grant, including:

- The Mental Health Services Planning Council; and
- The State Interagency Council for Children with SED.

The following issues and opportunities have been identified for the two Block Grant service populations:

- Kentucky has a number of significant statewide or regional consumer-oriented initiatives that would benefit from coordination to promote peer advocacy and other strategies that support recovery of adults with severe mental illnesses;
- Rehabilitation practice for adults with severe mental illnesses is currently fragmented and would benefit from technical assistance on best practice models;
- The desired outcomes for IMPACT and Impact Plus, two service systems for children with severe emotional disabilities, need to be revisited;
- A consensus has emerged that Regional Boards and jails should collaborate to improve mental health services for adults with SMI who are in jails, and to direct them to effective community-based programs whenever possible; and
- Opportunities to facilitate the delivery of evidence-based practices by providers should be pursued.

Priorities and Plans to Address Unmet Needs

The HB 843 Commission has "Work Groups" assigned to the following areas of concern:

- Children's: collaboration with Medicaid and Department for Community Based Services (child welfare); continuum of care; access to services; priority needs; and cost effectiveness;
- Criminal Justice/ Behavioral Health: collaboration with Department of Corrections; jailer training and behavioral health triage; gap between commitments for incompetence and mental illness; juvenile justice issues;
- Professional Staffing: collaboration with Council on Higher Education; "Real Choices" workforce development initiative;
- Public Education/ Anti-Stigma: suicide prevention; media guide;
- Aging: collaboration with primary care;
- Quality Assurance: grievance processes; MHSIP consumer satisfaction survey;
- Housing: collaboration with Kentucky Housing Corporation; update housing plan; develop more permanent supportive housing;
- Employment: Ticket to Work; supported employment expansion; Medicaid Buy-In; and
- Transportation: collaboration with HB 144 Commission (MR/DD) and Department of Transportation; vouchers; access.

In collaboration with these groups, the Department is undertaking the following system development initiatives that focus on the two Block Grant service populations, as discussed in more detail in the plans that follow in this document:

- Coordination and development of consumer advocacy efforts, particularly activities that promote recovery;
- A comprehensive initiative will embed Psychiatric Rehabilitation best practices in Community Support Programs for adults with severe mental illnesses through the use of technical assistance, consumer initiatives, and associated outcomes measures.
- The desired outcomes for IMPACT and Impact Plus will be reviewed with stakeholders and appropriate measures useful to provider Quality Improvement will be identified.
- Mental health services will be extended for adults with SMI in jails through local agreements and a new funding stream.

- Opportunities for implementing evidence-based practices will be systematically identified and pursued.

Recent Significant Achievements
As a result of planning and advocacy by the Department, the Regional Boards, the HB 843 Commission, and consumers and other stakeholders:
- The network of Crisis Stabilization Programs, begun in 1994, was completed in 2004. Each region now has a Crisis Stabilization program for both adults and children.
- Activities that have reduced the number of persons with disabilities who are in state institutions has benefited from "Olmstead Wraparound" funding.
- Laws permitting "Advance Mental Health Directives" and removing barriers to use of community hospitals for involuntary commitments have passed.
- Outcome measures are now administered in all major programs serving adults with severe mental illnesses and children with severe emotional disabilities.
- The accuracy, timeliness, and completeness of provider data essential for performance monitoring is now incentivized.

Vision for Kentucky's Systems of Care
Kentucky's vision for its community-based systems of care for adults with SMI and children with SED has historically been developed with broad stakeholder involvement. This last occurred when the PL 99-660 planning process, precursor to the CMHS Block Grant, began.

For adults with SMI, Kentucky's vision has been that consumers be empowered to choose among a full array of coordinated community-based services and supports that include:
- Crisis Stabilization
- Housing Options
- Case Management/ Outreach
- Mental Health Treatment
- Rehabilitation including Vocational
- Consumer and Family Support

For children with SED, the vision has been to build partnerships with parents and other child-serving agencies to create community-based alternatives to hospitalization where available, and to provide a full array of services and supports in communities. Alternatives to hospitalization include:
- Intensive In-Home
- Crisis Stabilization
- Day Treatment
- Treatment Foster Care

Community-based services and supports include:
- Youth and Family Support Networks
- Early Childhood Mental Health Consultation and Treatment Services
- School-Based Consultation and Treatment Services
- Specialized Summer Programs
- Intensive After-School Programs
- Respite Care
- Case Management Services
- Community Medication Support Program

Progress toward implementing systems of care that include these elements is further described in Section III in the Adult and Child plans. Since the original vision was outlined, significant developments have occurred that will focus that vision:

- A consensus among providers and consumers that recovery should be the orientation of the system of care for adults with SMI;
- A growing realization that prevention and resiliency should be the organizing theme for the system of care for children with SED;
- The creation by Kentucky's General Assembly of the HB 843 Commission, which is creating new regionally-based partnerships for mental health and substance abuse services;
- The release of the President's New Freedom Commission Report and its influence on stakeholders;
- Initiatives to reduce seclusion and restraint and understand the effects of trauma;
- Growing resources for evaluation and implementation of promising and evidence-based practices;
- Reduced utilization of inpatient services;
- Cost pressures on financial assistance programs for new generation anti-psychotic drugs; and
- Static or reduced public funding for human service systems.

Over the next few years, the Department will continue to work with stakeholders through the Mental Health Services Planning Council, the HB 843 Commission, and the State Interagency Council to refine the vision. In the meantime, developments that focus our vision are being addressed using the strategies discussed in the concluding part of this section.

Strategies

KDMHMRS employs a number of strategies to advance and develop systems of care for adults with SMI and children with SED, including:

- Population-Based Planning—understanding the mental health needs of the entire population, not just those of consumers;
- Evidence-Based Practices—promoting the growing array of mental health interventions that have scientifically proven their effectiveness;
- Data Infrastructure and Outcomes—producing information on services and outcomes that help improve quality and cost-effectiveness;
- Human Resource Development—assuring an adequate supply of qualified behavioral health professionals; and
- Communications—using Internet technology to transfer information, and ease access to best practices information and other resources.

Population-Based Planning: While Kentucky's mental health block grant plan is an example of a population-based planning initiative; it recognizes the need for a variety of strategies to deal with the diversity of issues that disability entails. Major strategies used by the Division of Mental Health and Substance Abuse include:

- Alignment of planning efforts;
- Cross-training of administrators and service providers; and
- Sharing and analysis of multiple data sets.

KDMHMRS is also responding to the need to plan with public health officials and emergency responders for population-wide interventions in case of a bio-terror or other catastrophic event.

Alignment of Planning Efforts: With the release of the President's New Freedom Commission on Mental Health, it is critical that state mental health authorities align state planning, as much as possible, with federal planning efforts. Alignment should be evident in this plan, and efforts are underway to promote alignment with the HB 843 Commission and the Healthy Kentuckians 2010 plan.

Cross –Training: Another strategy used by the Division is to promote opportunities for cross-training of staff in a number of topics that tend to be population specific. A major focus is training of staff in co-occurring disorders, both for mental health and substance abuse or mental health

and mental retardation. For example, certification training for case managers and other major training events like the Mental Health Institute incorporate sessions on cross training.

Analysis of Multiple Data Sets: Other than Medicaid data, there currently is little exchange of data with other agencies that service mutual clients such as child welfare and corrections. It is imperative that KDMHMRS collaborate with other agencies that serve mutual clients to:

- Provide a more accurate assessment of current mental health service delivery and remaining need;
- Refine performance indicators that measure outreach and access to services by other populations; and
- Better coordinate planning and deployment of shrinking resources across agencies.

The Division of Mental Health and Substance Abuse is working with the Department for Community Based Services (DCBS), the Department for Public Health, Department of Corrections and the Department for Juvenile Justice to develop methods for sharing data without breaching confidentiality. Utilization of private psychiatric hospital beds by Regional Board clients is a major subject for analysis during the coming fiscal year. Comparison of data on children by DCBS and children served by KDMHMRS is also planned to assist DCBS in complying with their federally-recognized Performance Improvement Plan. Additionally, involvement in the criminal justice system by adults and children is the subject of another study. These efforts are part of the federally funded "Data Infrastructure Grant" project described below.

Bio-Terrorism and Emergency Response: KDMHMRS is collaborating with the Department of Public Health, the Kentucky Community Crisis Response Board, and Regional Boards to enhance mental health and substance abuse emergency preparedness and response capacity of Regional Boards. The activity is assisted by grants from SAMHSA, HRSA, and the CDC. The results will be:

- Creation of an ongoing mental health and substance abuse services emergency response training component within each of Kentucky's mental health regions;
- An increase in the number of Regional Board staff trained as crisis responders;
- Establishment of a dedicated staff position to assist with grant implementation; and
- The development of regional mental health and substance abuse emergency response plans.

Evidence Based Practices: KDMHMRS is committed to identifying and implementing evidence-based practices (EBPs) within the service delivery systems of the Regional Boards. To this end, the following activities are in place:

- KDMHMRS has joined a consortium of states organized by NASMHPD to study current patterns of evidence-based practices being used;
- Statewide training initiatives consistently include evidence-based practices in its curriculum;
- The Department is aggressively pursuing grant opportunities; and
- Evidence-based practice research is a primary focus of all major planning initiatives.

The Department has submitted several grant applications related to EBPs:

- NIMH/SAMHSA planning grant;
- SAMHSA infrastructure grant focusing on Alternatives to Seclusion and Restraints;
- Center for Medicaid and Medicare Services (CMS) grant focusing on peer support and psychiatric rehabilitation technology; and
- SAMHSA training and evaluation grant focusing on implementing medication algorithms.

The latter grant was awarded and is underway at Central State Hospital in collaboration with the Regional Boards for the Kentucky River and Louisville areas. The following table represents the status of the implementation of SAMHSA-recognized Evidence-Based Practices:

			University/Research Partners

Practice	**Target Population**	**Program Partners**	Research/ Evaluation	Model Fidelity
Assertive Community Treatment	Adults with SMI	Seven Counties Bluegrass Comprehend		
Supported Employment	Adults with SMI	Vocational Rehab Pennyroyal River Valley Seven Counties North Key Pathways Mountain		
Illness Self-Management	Adults with SMI	KyCAN River Valley Seven Counties Mountain Cumberland River Bluegrass		
Family Psycho-Education	Family members of adults with SMI	NAMI-KY Pennyroyal Bluegrass		
Medication Algorithm	Adults	Central State Hospital Seven Counties Bluegrass Kentucky River	UL Psychiatry	UK Nursing
Integrated Treatment MH/SA	Adults with SMI and a severe addiction disorder	Bluegrass Kentucky River	UK Center on Drug & Alcohol Research	

The following table represents the status of practices for which DMHMRS is developing evidence using the demographic, utilization, and outcomes data it collects:

Practice	**Target Population**	**Program Partners**	**University Partners**	
			Research/ Evaluation	Model Fidelity
Psychiatric Rehabilitation	Adults with SMI	Regional Community Support Programs	UK Research and Data Management Center	
Schoolwide Positive Behavior Interventions and Supports	Children with SED	KY Department of Education KY Center for Instructional Discipline Mountain Kentucky River Cumberland River	KDMHMRS UK/IHDI	University of Oregon, National Center on Positive Behavior Interventions and Supports
Parent-Child Interaction Therapy	Young Children with Disruptive Behavior Disorders	Kentucky River Cumberland River	ORC Macro University of WV, Dept of Psychology	ORC Macro University of WV, Dept of Psychology

Data Infrastructure and Outcomes

KDMHMRS makes decisions on program development based upon an array of information sources. Over the past ten years, the Department has developed a system to structure and house all incoming data. Information made available to the Department includes:

- Regional MH/MR Board Client, Event and Human Resources Data
- Facility Admission and Discharge Data
- Adult and Child/Family Outcome Assessment Data

Submission of the data from each Regional MH/MR Board historically has been voluntary, but became mandatory beginning in SFY 2003 for data elements related to specific contract-based performance indicators. Beginning in SFY 2004, a "Performance Bond" was included in each contract that outlines performance requirements for accuracy, completeness and timeliness. Should a Board not meet specified performance standards, one percent of certain contract funds may be forfeited.

Quality Assurance and Monitoring: As KDMHMRS receives data from Regional MH/MR Boards, it is critical to have a process that facilitates information exchanges and maintains continuity and relational values among data sets. The Joint Committee on Information Continuity (JCIC) is the Committee that establishes policies and procedures for this purpose. All KDMHMRS projects involving data collection from Regional MH/MR Boards must be presented to JCIC for consultation and approval. JCIC, which meets bimonthly, is comprised of representatives from the Regional Boards, the Department, and the contracted information management entity, and makes recommendations directly to the Commissioner.

Performance Indicators*:* Since SFY 2000, a comprehensive "Inventory" of performance indicators has been in place. Certain indicators from the inventory have been prioritized for use in monitoring contractual performance of Regional MH/MR Boards. During SFY 2002, the prioritized indicators were categorized as "baseline" and "developmental," depending on the extent of historical or comparative data that was available. Beginning in SFY 2003, the Division of Mental Health adopted sixteen indicators specific to the CMHS Block Grant.

The goal of the Division of Mental Health related to performance indicator development is to continue guiding Regional Boards to expand and relate indicator information with information directly from outcomes measurements. The ultimate goal is to improve the quality and accessibility of services provided by Regional MH/MR Boards and State Hospitals, and continuity of care. Outcomes initiatives specific to the two priority populations served in Kentucky (adults with severe mental illness and children with severe emotional disturbances) are described below.

Adult Clinical Outcomes Measurements: The Center for Mental Health Services awarded a Data Infrastructure Grant to Kentucky in the fall of 2001. Activities for the project will:

- Improve the structure and accuracy of client/event data;
- Evaluate the application of the Brief Psychiatric Rating Scale (BPRS) currently being used;
- Implement new outcomes measurement tools.

Additionally, this project allows the Division to continue developing a relational database structure so that all incoming data can be cross-referenced in-house and across agencies, and Kentucky can begin comparing its data with that of other states.

The project formed a Clinical Outcomes Adult Advisory Group, which identified and evaluated available instruments for their efficacy and potential for reflecting concerns of stakeholders including consumers. The recommended instruments and associated target populations include:

- Brief Psychiatric Rating Scale (BPRS) for individuals served in Crisis Stabilization Units
- Multnomah Community Ability Scale (MCAS) for SMI consumers served in Therapeutic Rehabilitation programs;
- Medical Outcomes Study Health Status Survey for SMI consumers served in Therapeutic Rehabilitation programs; and
- Kentucky Behavioral Health Outcomes Measurement Tool for outpatient consumers (Kentucky Consumer Satisfaction Survey; 21-Item MHSIP Survey; and Medical Outcomes Study Health Status Survey).

The BPRS continues to be administered at crisis stabilization programs of the Regional Boards and State Hospitals. The MCAS has been implemented in therapeutic rehabilitation programs of Regional Boards. Plans for the Kentucky Consumer Satisfaction Survey, facilitated by the Kentucky Consumer Advocacy Network, have been finalized and are receiving review by the Cabinet for Health and Family Services Institutional Review Board.

Child Clinical Outcomes Measurement: The Kentucky IMPACT Program, a statewide interagency system of care for children with severe emotional disturbances, has gathered data for fourteen years on the children and families that it serves. This system of data collection was developed for program evaluation purposes, not outcomes monitoring per se. The State Interagency Council, which holds primary oversight for the IMPACT program, asked for review and evolution of the system to one that is outcomes-based, utilization-focused, and technologically advanced. That review is currently underway.

Data Infrastructure Grant Project: The Department has applied to renew the project for another three years. Activities proposed will:

- Complete the Uniform Reporting System tables;
- Improve the quality and usefulness of the data in collaboration with regional MIS and Quality Improvement leaders;
- Develop a basis for outcome and performance goals; and
- Continue the development of a relational database structure so that all incoming data can be cross-referenced in-house and across agencies, and be compared with information from other states.

Human Resource Development: KDMHMRS is collaborating with the Regional Boards and colleges and universities, as well as other key stakeholders, to develop immediate and long-term

strategies to address the shortage of qualified behavioral health professionals in Kentucky. A statewide Forum was held in May 2002 to kick-off the formation of a state level workgroup (under the HB 843 structure) and regional teams. Follow-up Forums were held in January 2003 and November 2003. A National Technical Assistance Center (ntac) grant was used to support some of these efforts. More recently, a Health Resources and Services Administration (HRSA) grant was received by Eastern Kentucky University to train 76 psychology, social work and occupational therapy students at sites serving rural youth with mental health needs. The Division of Mental Health and Substance Abuse and two Regional Boards are major partners in this $1,000,000, three-year effort.

Communications The Division of Mental Health uses its website to inform stakeholders about its activities. A website redesign committee is planning changes that will make the site more user friendly, especially to consumers of mental health services. While many additional upgrades are in development, currently the website has been upgraded to:

- Provide on-line access to help from the appropriate Regional Board;
- Post the Division's training and conference schedule;
- Provide on-line capability for conference and training registration; and
- Post documents for which stakeholder review and comment is desired.

http://mhmr.chs.ky.gov/MH/

Section III: Performance Goals and Action Plans

INTRODUCTION

The two plans submitted in this section, for adults with a severe mental illness and children with a severe emotional disability, reflect the evolution of the Department's CMHS Block Grant planning process and the influence of new federal planning requirements.

Kentucky's Regional Planning Process

Historically, CMHS Block Grant funds were awarded for specific projects proposed by Regional MH/MR Boards. The Mental Health Services Planning Council helped the Department to select these focus areas. A number of important pilot initiatives demonstrated the effectiveness of new approaches such as "Community Support," "Peer Advocacy," and "Supported Housing." However, the process resulted in inequitable allocation of funds across Kentucky's population and made further system development contingent on the availability of new federal funds.

With the involvement of the Mental Health Services Planning Council and the Kentucky Association of Regional MH/MR Programs (KARP), the Department began changing how CMHS Block Grant funds were allocated. The change recognized:

- The regional planning authority of Regional MH/MR Boards under Kentucky law;
- The increasing availability of reliable demographic, utilization, and outcomes data;
- The usefulness of CMHS Block Grant funds for leveraging other funding streams; and
- The opportunity to use the CMHS Block Grant planning process to drive regional systems change.

Essentially, the process permits Regional Boards to more flexibly use CMHS Block Grant funds to underwrite the costs of implementing a regionally-approved annual plan. Certain requirements apply to the process of developing a regional plan including:

- The plan must address state-required "Components" related to the federally-mandated "Criteria;"
- The plan must address performance indicators that fall below one standard deviation of the mean of Regional Boards; and
- The plan must document the comments on the plan by a regional planning council of which at least 50 percent are consumers, family members of consumers, or parents of children with SED.

The regional state-level planning process is incremental. At first, the emphasis was on the development of a regional planning document. More recently, priority has been given to regional stakeholder review. Next, more emphasis will be placed on the regional review of performance and outcome data. The Department has the assistance of the Mental Health Services Planning Council in determining requirements for regional plans and in their review.

New Federal Planning Requirements

Federal Planning requirements issued in draft form in early 2004 emphasize measurement of specified performance indicators related to the development of effective systems of care. Plans still must describe the systems of care the Department provides for adults with SMI and children with SED. However, the application now requires the Department to identify certain performance goals related to indicators it can produce from its information system, and to list activities that will help the Department achieve them.

Organization of this year's plans

The two plans, for adults with SMI and children with SED, continue to be formatted according to the federally-required Criterion.

For adults with SMI:

One: Comprehensive Community Based Mental Health Services System
Two: Estimates of Prevalence and Treated Prevalence and Mental Health Systems Data
Four: Targeted Services to Rural and Homeless Populations
Five: Management Systems

For children with SED:

One: Comprehensive Community Based Mental Health Services System
Two: Children's Mental Health System Data Epidemiology
Three: Integrated Children's Services
Four: Targeted Services to Rural and Homeless Populations
Five: Management Systems

Under each of the Criteria, the following narrative material is provided:

- Introduction—a description of the Components required by the state, with the advice of the Mental Health Services Planning Council, for regional plans;
- Components—for each Component:
  - "Regional perspective"—a roll-up of regional plans for the Component, including activities planned by regions to strengthen it; and
  - "State-level perspective"—an evaluation of the statewide status of the Component, and a description of statewide support Kentucky provides at the state level related to the Component;
- Performance Indicators—the indicators chosen by the Department, with the advice of the Mental Health Services Planning Council, for the Criterion. These are formatted in a federally-prescribed table; and
- Action Plans— the performance improvement activities the Department will undertake for the indicators that the Department, with the advice of the Mental Health Services Planning Council, has selected for improvement.

Following each criterion, comments of the Mental Health Services Planning Council at its meeting in August, 2004, are provided.